IN RE: TRANSFER OF SECURITIES ISSUED IN COMPENSATORY CIRCUMSTANCES
INTERPRETIVE ORDER INTO5-001

WHEREAS, the New Hampshire Bureau of Securities Regulation is charged with the administration of the New Hampshire Uniform Securities Act (the Act);

WHEREAS, Section 21 of the Act delegates to the Secretary of State the administration of the Act; and

WHEREAS, Section 21 of the Act grants all powers specifically granted or reasonably implied in order to perform the substantive responsibilities imposed; and

WHEREAS, Section 28 of the Act grants the Secretary of State the authority to issue, amend, or rescind such orders as are reasonably necessary to carry out the provisions of this chapter; and

WHEREAS, the staff of the Bureau of Securities Regulation has received requests for an exemption that coincides with Rule 701 of the Securities and Exchange Commission (17 CFR § 230.701 (c) (1)); and

WHEREAS, Rule 701 provides a transactional exemption under Federal Law for securities of issuers that are issued in compensatory circumstances; and

WHEREAS, RSA 421-B:17, II(1) provides an exemption for "any transaction designated by rule or order by the secretary of state after a finding that the designation is consistent with the purposes fairly intended by the policy and provisions" of RSA 421-B; and
WHEREAS, finding that an exemption for certain transactions in securities that are compensatory in nature and not for the purpose of raising capital is consistent with the purposes fairly intended by the policy and provisions of the New Hampshire Uniform Securities Act; and

WHEREAS, finding it necessary and appropriate to the public interest and consistent with the purposes fairly intended by the policy and provisions of the New Hampshire Uniform Securities Act;

THEREFORE, it is hereby Ordered that:

1. Exemptive Order dated June 5, 2000 is superseded by this order.

2. Offers and sales made in compliance with all of the conditions of this order are exempt from the registration requirements set forth in RSA 421-B:11 and the issuer-dealer licensing requirements of RSA 421-B:6.

3. This order exempts offers and sales of securities under a written compensatory benefit plan (or written compensation contract), including a savings, stock purchase, option, pension, bonus, stock appreciation, profit sharing, thrift, incentive or similar benefit plan, established by the issuer, its parents, its majority-owned subsidiaries or majority-owned subsidiaries of the issuer’s parent, for the participation of their employees, directors, managers, general partners, trustees (where the issuer is a business trust), officers, or consultants and advisors, and their family members who acquire such securities from such persons through gifts or domestic relations orders. This order exempts offers and sales to former employees, directors, managers, general partners, trustees, officers, consultants and advisors only if such persons were employed by or providing services to the issuer at the time the securities were offered. As used herein, “family members” includes any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing employee’s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the employee) control the management of assets, and any other entity in which these persons (or the employee) own more than fifty percent of the voting interests. In addition, the term “employee” includes insurance agents who are exclusive agents of the issuer, its subsidiaries or parents, or derive more than 50% of their annual income from those entities.

4. An offer or sale must be in compliance with any applicable federal securities law or regulation adopted by the Securities and Exchange Commission to be exempt pursuant to this order.
5. Special requirements for consultants and advisors. This section is available to consultants and advisors only if:

i. They are natural persons;

ii. They provide bona fide services to the issuer, its parents, its majority owned subsidiaries or majority-owned subsidiaries of the issuer's parent; and

iii. The services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer's securities.

6. This order shall become effective upon execution by the Secretary of State's designee. The exemption promulgated by this order is not available for offers and sales made prior to the execution of this order.

WILLIAM GARDNER
SECRETARY OF STATE
By His Designee,

[Signature]
Mark Connolly
Director of Securities Regulation

Dated: November 3, 2005
Concord, New Hampshire